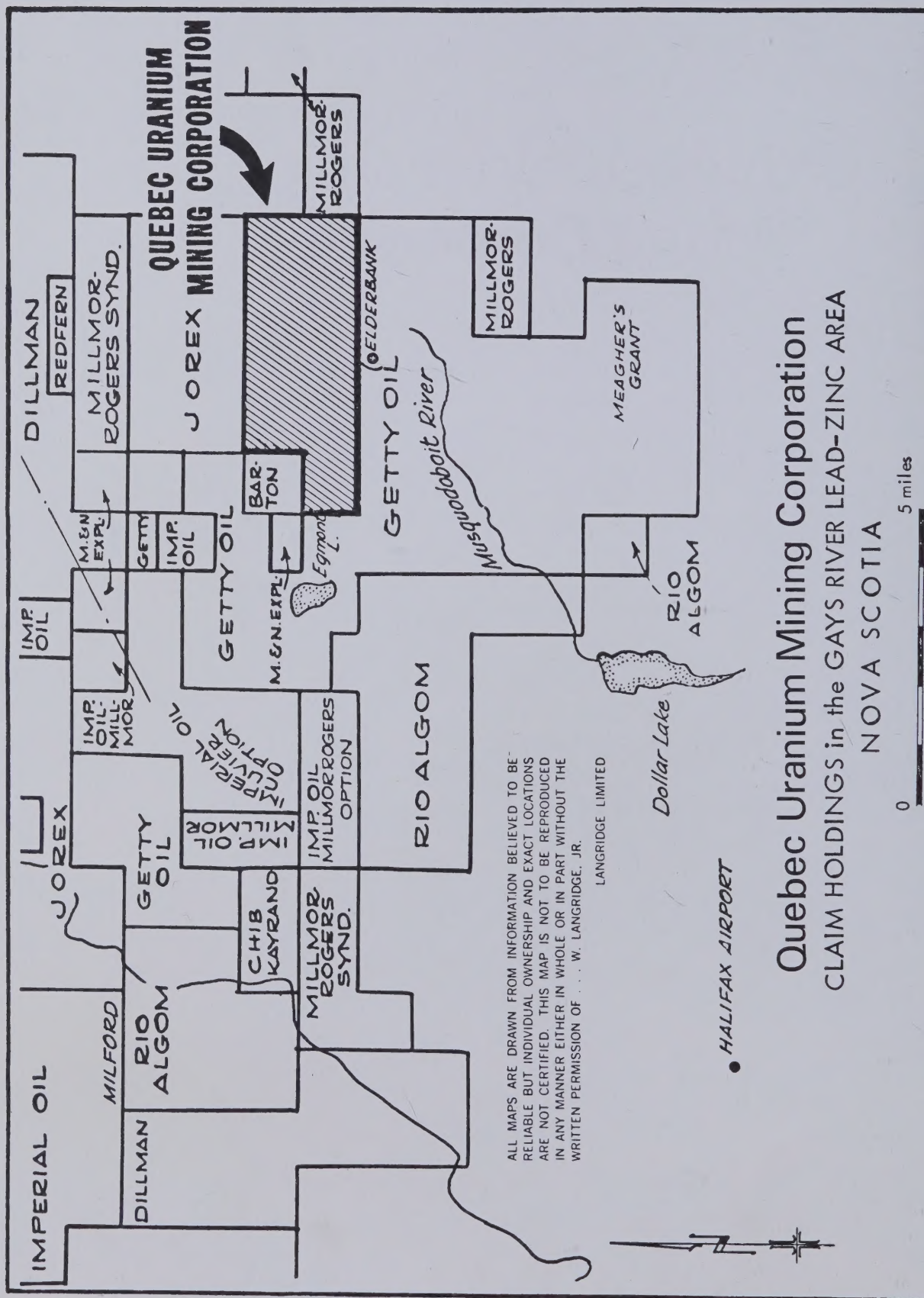


Quebec Uranium Mining Corporation

(No Personal Liability)

Annual Report to the shareholders for the fiscal year ended June 30, 1973

The annual meeting will be held on Wednesday, November 14th, 1973
at 11:00 a.m., eastern standard time,
in Room 1109, Windsor Hotel, Montreal, Quebec.



Quebec Uranium Mining Corporation

(No Personal Liability)

Annual report of the directors

Your company has acquired 144 claims in the Gays River area, Nova Scotia, located just north of the holdings of Getty Mining Northeast, Limited and south of the property of Jorex Limited, and about three and a half miles east of Cuvier Mines. Following a preliminary geochemical survey a deal was concluded with Imperial Oil Limited whereby Imperial agreed to carry out further exploration and to spend not less than \$25,000 on or before February 1, 1974. Imperial will be entitled to receive shares at 27 cents per share, or a total of 92,593 shares, for such expenditures.

Imperial can earn a 60% interest in the mining claims by an expenditure of a further \$300,000 on or before February 1, 1978. Thereafter Imperial will provide 60% of any further expenditures and your company 40%. Quebec Uranium's interest will not be diluted below 20%, even if it does not provide its share of additional funds. Imperial Oil is proceeding with development and will now undertake a program of diamond drilling on the property.

Your company has received the sum of \$86,000 under the terms of an underwriting and option agreement with Bouchard & Co. Ltd. on behalf of Lura Corporation Ltd. This consisted of the sale of 200,000 shares at 27 cents per share and 100,000 at 32 cents per share. Further options have been granted on 100,000 shares at 32 cents, 200,000 at 37 cents, 200,000 at 42 cents and 200,000 at 47 cents, which, if exercised, will provide your company with an additional \$284,000.

Your company holds a number of claims in the Mistassini area, north of Chibougamau in the Province of Quebec, on which an aerial survey was conducted and some follow-up ground work completed last year. Further exploration and development is planned during the coming season on these properties, as well as the other claims held in Colchester and Cumberland Counties in Nova Scotia

Your Directors submit for your consideration the financial statements of the company for the year ending June 30, 1973, together with Statements of Exploration and Development Expense, Administrative Expense and Source and Application of Funds.

Annual Meeting of Shareholders will be held at the Windsor Hotel, Montreal, Quebec, on Wednesday, the 14th day of November at the hour of 11:00 A.M. (Eastern Standard Time). Your Directors hope that you will attend, but if you cannot attend in person, a proxy form is enclosed for your use.

Respectfully submitted on behalf of the Board,

R. P. MILLS,
President.

Quebec Uranium Mining Corporation

(No Personal Liability)

(Incorporated under The Quebec Mining Companies Act)

Balance sheet

Assets

	1973	June 30 1972
Current:		
Cash in bank.....	\$ 4,201	\$ —
Accounts receivable.....	—	10,128
Prepaid expenses.....	—	105
	<u>4,201</u>	<u>10,233</u>
Fixed assets, at cost:		
Gamma ray spectrometer, inverters and accessories.....	—	21,420
Office furniture.....	215	215
Automotive equipment.....	671	4,500
	<u>886</u>	<u>26,135</u>
Less: Accumulated depreciation.....	486	15,150
	<u>400</u>	<u>10,985</u>
Mining claims held under prospector's licenses, exploration permit and mining licenses (Note 1 and Schedule A).....	6,376	8,389
Deferred expenditures (Note 1), at cost		
Exploration and development expenditures (Statement II).....	178,666	188,791
General and administrative expenses (Statement III).....	30,123	24,715
	<u>208,789</u>	<u>213,506</u>
Organization expenses.....	2,466	2,466
	<u>\$222,232</u>	<u>\$245,579</u>

ON BEHALF OF THE BOARD:

R. P. MILLS, Director

Ian MILLER, Director

Liabilities and shareholders' equity

		1973	June 30 1972
Current:			
Bank indebtedness.....		\$ 3,000	\$ 2,932
Accounts payable and accrued liabilities.....		6,616	1,257
		<u>9,616</u>	<u>4,189</u>
Advance from parent company.....		—	23,000
Shareholders' equity:			
Capital stock — (Notes 2 and 4)			
Authorized —			
4,000,000 shares at \$1.00 par value		<u>\$4,000,000</u>	
Issued			
	Shares	Discount	
For cash.....	1,750,009	\$(1,140,000)	610,009
For mining claims			
(now abandoned).....	750,000	(600,000)	150,000
	<u>2,500,009</u>	<u>\$(1,740,000)</u>	<u>760,009</u>
Deficit (Statement IV).....		547,393	541,619
		<u>212,616</u>	<u>218,390</u>
		<u>\$222,232</u>	<u>\$245,579</u>

Auditors' report

To the Shareholders of
Quebec Uranium Mining Corporation (No Personal Liability):

We have examined the balance sheet of Quebec Uranium Mining Corporation (No Personal Liability) as at June 30, 1973, the related statements (Statement II to IV inclusive), and the statement of source and application of funds for the year then ended, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the Company, these financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at June 30, 1973 and of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Montreal, Quebec
August 10, 1973

PRICE WATERHOUSE & CO.
Chartered Accountants.

Quebec Uranium Mining Corporation

(No Personal Liability)

Statement of exploration and development expenditures

By accounts

	Balance June 30 1972	Expenditures during the year	Balance June 30 1973
Aerial Surveys.....	\$259,089	—	\$259,089
Salaries, wages and employees' benefits.....	69,654	1,274	70,928
Joint venture expenditures (25%).....	6,726	—	6,726
Taxes, fees and licences.....	9,076	1,655	10,731
Diamond drilling.....	30,324	—	30,324
Assays, geophysical and geochemical expenses.....	40,341	1,987	42,328
Engineering and geologists' fees and expenses.....	12,043	—	12,043
Supplies.....	17,451	—	17,451
Transportation.....	36,295	257	36,552
Rental of equipment and camp.....	9,509	75	9,584
Depreciation on equipment.....	15,149	141	15,290
Miscellaneous.....	4,577	(165)	4,412
	<u>510,234</u>	<u>5,224</u>	<u>515,458</u>
Less:			
Recovered by sale to Canadian Merrill Ltd. of results of geophysical surveys.....	—	17,334	17,334
Recovered from International Mariner Resources — net of uncollectible balance.....	15,862	(5,178)	10,684
Applicable to mining ventures abandoned, and unallocated expenses (Statement IV).....	305,581	3,193	308,774
	<u>321,443</u>	<u>15,349</u>	<u>336,792</u>
Per balance sheet (Statement I).....	<u>\$188,791</u>	<u>(10,125)</u>	<u>178,666</u>

By areas

	Balance June 30 1972	Expenditures during the year	Recovered and written off during the year	Balance June 30 1973
Township No. 1126, Mistassini area, P.Q.....	\$ 62,727	808	1,676	61,859
Township of Barlow, Mistassini area, P.Q.....	3,340	—	3,340	—
Township of Bignell, Mistassini area, P.Q.....	22,342	122	(201)	22,665
Township of McOuat, Mistassini area, P.Q.....	12,778	230	1,427	11,581
Township of Guyon, Mistassini area, P.Q.....	83,811	553	8,824	75,540
Township of Péré, Mistassini area, P.Q.....	1,863	30	430	1,463
Counties of Colchester and Cumberland, N.S.....	1,930	—	—	1,930
County of Halifax, N.S.....	—	3,628	—	3,628
Unallocated charges (credits).....	—	(147)	(147)	—
Per balance sheet (Statement 1).....	<u>\$188,791</u>	<u>5,224</u>	<u>15,349</u>	<u>178,666</u>

Quebec Uranium Mining Corporation

(No Personal Liability)

Statement of general and administrative expenses

	Balance June 30 1972	Expenditures for the year	Balance June 30 1973
Legal and audit.....	\$16,591	1,100	17,691
Stationery, office supplies and maps.....	2,070	—	2,070
Taxes, fees and licences.....	1,056	75	1,131
Travelling.....	1,841	—	1,841
Telephone, telegraph and postage.....	2,656	163	2,819
Advertising and shareholders' information.....	3,422	—	3,422
Consulting fees.....	7,100	1,300	8,400
Listing and Stock Exchange fees.....	3,172	250	3,422
Securities registration fees and expenses.....	6,564	—	6,564
Office accomodation, secretarial and accounting services (Note 3).....	25,200	600	25,800
Publicity and shareholders' information.....	7,080	1,438	8,518
Miscellaneous.....	3,273	482	3,755
	<u>80,025</u>	<u>5,408</u>	<u>85,433</u>
Less:			
Interest revenue.....	16,929	—	16,929
Miscellaneous revenue.....	739	—	739
	<u>17,668</u>	<u>—</u>	<u>17,668</u>
	62,357	5,408	67,765
Less: Proportion applicable to abandoned mining ventures (Statement IV).....	<u>37,642</u>	<u>—</u>	<u>37,642</u>
Per balance sheet (Statement I).....	<u>\$24,715</u>	<u>5,408</u>	<u>30,123</u>

Quebec Uranium Mining Corporation

(No Personal Liability)

Statement of deficit

	Balance June 30 1972	Written off during the year	Balance June 30 1973
Arising from mining ventures abandoned:			
Mining claims.....	\$198,396	2,103	200,499
Exploration and development expenditures (Statement II).....	305,581	3,193	308,774
General and administrative expenses (Statement III).....	37,642	—	37,642
Loss on disposal of Automotive equipment.....	—	478	478
Per balance sheet (Statement I).....	<u>\$541,619</u>	<u>5,774</u>	<u>547,393</u>

Statement V

Statement of source and application of funds

	Year ended June 30 1973	Six month period ended June 30 1972
Source of funds:		
Issue of shares.....	\$ —	\$ 30,000
Advance from parent company.....	2,500	20,000
Sale of automotive equipment.....	1,800	—
Sale of geophysical equipment and results of surveys.....	25,500	—
	<u>29,800</u>	<u>50,000</u>
Application of funds:		
Mining claims.....	90	—
Exploration and development expenditures (excluding depreciation — \$141; in 1972 \$1,391).....	10,261	40,537
General and administrative expenses.....	5,408	7,636
Settlement of advance from parent company against sale of geophysical equipment and results of surveys.....	25,500	—
	<u>41,259</u>	<u>48,173</u>
Increase (decrease) in working capital.....	(11,459)	1,827
Working capital, beginning of period.....	6,044	4,217
Working capital (deficiency), end of period.....	<u>\$ (5,415)</u>	<u>\$ 6,044</u>

Quebec Uranium Mining Corporation

(No Personal Liability)

Mining claims held under prospector's licenses, exploration permit and mining licenses

June 30, 1973

Area

	Number of mining claims	Cost
Counties of Colchester and Cumberland, Nova Scotia (Note 4).....	32	\$ 500
County of Halifax, Nova Scotia (Note 4).....	144	90
Township No. 1126, Mistassini area, P.Q.....	78	2,662
Township of Péré, Mistassini area, P.Q.....	3	140
Township of Bignell, Mistassini area, P.Q.....	5	109
Township of McOuat, Mistassini area, P.Q.....	23	810
Township of Guyon, Mistassini area, P.Q.....	57	<u>2,065</u>
Per balance sheet (Statement I).....		<u>\$ 6,376</u>

Notes to financial statements

June 30, 1973

1. The amount at which the mining rights and related deferred expenditures are recorded does not, and does not purport to, represent their present or future value. Mining and rights related deferred expenditures are written off when it becomes evident that the rights have no further value.
2. Under the terms of an underwriting agreement dated September 19, 1973, and subject to the approval of applicable regulatory bodies, the Company authorized the sale of 200,000 shares and 100,000 shares of its capital stock at 20¢ and 25¢ per share, respectively, and granted the underwriters an option to purchase an additional 700,000 shares at prices ranging from 25¢ to 40¢ per share. The underwriting agreement is on behalf of Lura Corporation Ltd. (No Personal Liability) the principal shareholder of which is a director of Quebec Uranium Mining Corporation (No Personal Liability).

Of the 750,000 shares issued for the acquisition of mining claims, 450,000 are held in escrow by Canada Permanent Trust Company, Montreal.

3. The Company is a party to an agreement with a service corporation which provides office accommodation, secretarial and accounting services. Fees charged by this corporation during the year ended June 30, 1973 amounted to \$600. Two of the principal shareholders of the service corporation is a director of Quebec Uranium Mining Corporation (No Personal Liability).

(Notes to financial statements continued on the next page)

Quebec Uranium Mining Corporation

(No Personal Liability)

Notes to financial statements

(Continued)

4. The 32 claims in the counties of Colchester and Cumberland, Nova Scotia, have been assigned to Lura Corporation Ltd., under a working option agreement, which would provide Quebec Uranium Mining Corporation with a 49% interest in any development proceeds.

On June 1, 1973 the Company obtained an option to purchase 144 claims in the County of Halifax, Nova Scotia, from a Syndicate two of the principals of which are directors of Quebec Uranium Mining Corporation (No Personal Liability). Under this option agreement the Company has the right to acquire such claims for the sum of \$5,000 in cash plus a royalty of 25¢ per ton on any ore that can be mined and treated at a profit.

Subject to the approval by appropriate regulatory bodies of the underwriting agreement referred to in Note 2 above, the Company intends to exercise the option on the 144 claims and to grant to Imperial Oil Limited the right to obtain 100,000 shares of the Company's capital stock in exchange for Imperial Oil Limited expending, prior to February 1, 1974, a minimum of \$25,000 on exploration and development of the claims. Imperial Oil Limited may also obtain a 60% undivided interest in the 144 claims in exchange for expending, prior to February 1, 1978, a minimum of \$300,000 on exploration and development of the claims.

Quebec Uranium Mining Corporation

(No Personal Liability)

OFFICERS: Randolph P. MILLS
President & Chief Executive Officer
William A. SMITH
Vice-President
I. C. MILLER
Secretary
D. J. EGAN
Treasurer

DIRECTORS: Gilles DE BILLY, Q.C.
Col. Maurice FORGET
Randolph P. MILLS
Hubert J. MOCKLER
J. H. MORGAN, Ph.D.
I. C. MILLER
William A. SMITH

TRANSFER AGENT AND REGISTRAR: CANADA PERMANENT TRUST COMPANY
600 Dorchester Boulevard West
Montreal, Quebec
H3B 1N6

BANKERS: CANADIAN IMPERIAL BANK OF COMMERCE
610 St. James Street West
Montreal, Quebec
H3C 1C7

AUDITORS: PRICE WATERHOUSE & CO.

HEAD OFFICE: Suite 400, 621 Craig St. W., Montreal, Quebec
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